



### Challenges for Smaller Pension Schemes

This month we would like to thank Richard Boniface, Director of Independent Trustee Services Limited, for his thoughts on the challenges for Smaller Pension Schemes.

As an estimate, over 3500 DB schemes are in the “small” category i.e. less than £10m of assets.

Most are seen as a burden on their sponsor and seen by the company now as a liability rather than a positive means of staff retention.

Concerned employers worry about their pension scheme responsibilities. You may be thinking...

1. We are spending too much time on the scheme and not enough on the business;
2. The scheme is closed but the liabilities and responsibilities seem to keep growing;
3. The liabilities are dragging down our company balance sheet and performance;
4. I am not sure we have a Board of Trustees capable of making things happen;
5. I feel that there is no clear plan of where the scheme is headed;
6. I am sure there are things we should be doing. Will it come back to bite me?
7. The scheme is costing so much but adding nothing to my current workforce;
8. I am wearing different hats and the Regulator doesn't like that.

The most important step forward is to **develop a clear strategy** for the scheme and if you cannot get the help you need to understand the options from existing advisers, an **independent trustee can help set you on the right track.**

A good independent can work alongside your current trustees, offer an alternative as a sole trustee and deliver pragmatic solutions but most importantly to answer the question "What do you want to do with the scheme and over what timescale?"

With pension legislation, new requirements, accounting treatment and financial risks changing day by day and we often find a feeling of helplessness. The balance of what is right for the business and what is right for the members can be difficult so it is also not always easy to discuss options with current company and member trustees without some **experienced guidance and a close working knowledge of pensions legislation.**

Take the time to set the strategy and the horizon and then the challenges become manageable. Options and decisions along the way are then in context and more about "tacking" than resetting your course.

You can find more information about working with an Independent Trustee and options for your scheme at: [www.itslimited.co.uk](http://www.itslimited.co.uk)